

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 3417 – SB 3622

May 3, 2010

**SUMMARY OF AMENDMENT (018023):** Deletes the language of the original bill. Authorizes Industrial Development Corporations (IDCs) to finance roads, streets, utilities or other public improvements until June 30, 2010 for any project identified in an economic impact plan that is located in a mixed-use development of more than 500 acres and in a county where at least 31.5 percent of the population between 5 and 17 years old. Authorizes counties to sell tax-exempt bonds at the Prime Rate plus seven percent until June 30, 2012.

FISCAL IMPACT OF ORIGINAL BILL:

Increase Local Expenditures – \$1,050,000/1<sup>st</sup> Year Debt Service/Permissive

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase Local Expenditures –  
Up to \$3,500,000/1<sup>st</sup> Year Debt Service/Permissive

Assumptions applied to amendment:

- According to the U.S. Census Bureau Small Area Estimates Branch, the provisions of this bill will only apply to Clay, Grundy, Hancock, Johnson and Lake Counties.
- According to the Comptroller of the Treasury, up to \$25 million of tax-exempt Recovery Zone Facility Bonds will be issued to IDCs at a rate up to 9 percent for a term of 30 years.
- First-year debt service on the issuance of \$25,000,000 of bonds is approximately \$3,500,000. These are 30-year bonds with a projected coupon rate of nine percent.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White".

James W. White, Executive Director

/agl

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